

IC 6-3.1-18

Chapter 18. Individual Development Account Tax Credit

IC 6-3.1-18-1**"Community development corporation" defined**

Sec. 1. As used in this chapter, "community development corporation" has the meaning set forth in IC 4-4-28-2.

As added by P.L.15-1997, SEC.2.

IC 6-3.1-18-2**"Fund" defined**

Sec. 2. As used in this chapter, "fund" refers to an individual development account fund established by a community development corporation under IC 4-4-28-13.

As added by P.L.15-1997, SEC.2.

IC 6-3.1-18-3**"Individual development account" defined**

Sec. 3. As used in this chapter, "individual development account" has the meaning set forth in IC 4-4-28-5.

As added by P.L.15-1997, SEC.2.

IC 6-3.1-18-4**"Pass through entity" defined**

Sec. 4. As used in this chapter, "pass through entity" means:

- (1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) a partnership;
- (3) a limited liability company; or
- (4) a limited liability partnership.

As added by P.L.15-1997, SEC.2.

IC 6-3.1-18-5**"State tax liability" defined**

Sec. 5. As used in this chapter, "state tax liability" means a taxpayer's total tax liability incurred under:

- (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- and
- (2) IC 6-5.5 (the financial institutions tax);

as computed after the application of all credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

As added by P.L.15-1997, SEC.2. Amended by P.L.192-2002(ss), SEC.111.

IC 6-3.1-18-6**Credit; amount; calculation; application**

Sec. 6. (a) Subject to the limitations provided in subsection (b) and sections 7, 8, 9, 10, and 11 of this chapter, the department shall grant a tax credit against any state tax liability due equal to fifty

percent (50%) of the amount contributed by a person or an individual to a fund if the contribution is not less than one hundred dollars (\$100) and not more than fifty thousand dollars (\$50,000).

(b) The credit provided by this chapter shall only be applied against any state tax liability owed by the taxpayer after the application of any credits that under IC 6-3.1-1-2 must be applied before the credit provided by this chapter.

As added by P.L.15-1997, SEC.2. Amended by P.L.4-1999, SEC.4; P.L.192-2002(ss), SEC.112.

IC 6-3.1-18-7

Application of tax credit to pass through entities; calculation

Sec. 7. If a pass through entity is entitled to a credit under section 6 of this chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

As added by P.L.15-1997, SEC.2.

IC 6-3.1-18-8

Credit supplement; other credits

Sec. 8. The credit provided under section 7 of this chapter is in addition to a tax credit to which a shareholder, partner, or member of a pass through entity is otherwise entitled under IC 6-3, this article, or IC 6-5.5. However, a pass through entity and a shareholder, partner, or member of the pass through entity may not claim more than one (1) credit for the same qualified expenditure.

As added by P.L.15-1997, SEC.2. Amended by P.L.1-2003, SEC.38; P.L.269-2003, SEC.10.

IC 6-3.1-18-9

Application for tax credit; proof of payment

Sec. 9. (a) A person that or an individual who desires to claim a tax credit as provided in this chapter shall file with the department, in the form approved by the department, an application stating the amount of the contribution that the person or individual proposes to make that would qualify for a tax credit and the amount sought to be claimed as a credit.

(b) The department shall promptly notify an applicant whether, or the extent to which, the tax credit is allowable in the state fiscal year in which the application is filed, as provided in section 6 of this chapter. If the credit is allowable in that state fiscal year, the applicant shall within thirty (30) days after receipt of the notice file with the department a statement, in the form and accompanied by the proof of payment as the department may prescribe, setting forth that the amount to be claimed as a credit under this chapter has been paid to a fund as provided in section 6 of this chapter.

(c) The department may disallow any credit claimed under this chapter for which the statement or proof of payment is not filed within the thirty (30) day period.

As added by P.L.15-1997, SEC.2.

IC 6-3.1-18-10

Amount of tax credits allowed

Sec. 10. (a) The amount of tax credits allowed under this chapter may not exceed two hundred thousand dollars (\$200,000) in any state fiscal year.

(b) The department shall:

- (1) record the time of filing of each application for allowance of a credit required under section 9 of this chapter; and
- (2) approve the applications, if they otherwise qualify for a tax credit under this chapter, in the chronological order in which the applications are filed in the state fiscal year.

(c) When the total credits approved under this section equal the maximum amount allowable in any state fiscal year, an application filed after that time for the same fiscal year may not be approved. However, if an applicant for whom a credit has been approved fails to file the statement of proof of payment required under section 9 of this chapter, an amount equal to the credit previously allowed or set aside for the applicant may be allowed to any subsequent applicant in the year. In addition, the department may, if the applicant so requests, approve a credit application, in whole or in part, with respect to the next succeeding state fiscal year.

As added by P.L.15-1997, SEC.2. Amended by P.L.289-2001, SEC.14.

IC 6-3.1-18-11

Tax credit available only in year paid

Sec. 11. A tax credit shall be allowable under this chapter only for the taxable year of the taxpayer in which the contribution qualifying for the credit is paid.

As added by P.L.15-1997, SEC.2.